

ARISE ACADEMY
FINANCIAL STATEMENTS
For the Year Ended June 30, 2010

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

10/27/10

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Activities	3
Statement of Cash Flows	4
Statement of Functional Expenses	5
Notes to Financial Statements	6
SCHEDULES REQUIRED BY STATE LAW (PERFORMANCE STATISTICAL DATA)	
Independent Accountant's Report on Applying Agreed-Upon Procedures	11
Schedule K-1: General Fund Instructional and Support Expenditures and Certain Local Revenue Sources for the Year Ended June 30, 2010.....	14
Schedule K-2: Education Levels of Public Principals, Assistant Principals, and Full-Time Classroom Teachers.....	15
Schedule K-3: Number and Type of Public Schools	16
Schedule K-4: Experience of Public Principals, Assistant Principals, and Full Time Classroom Teachers.....	17
Schedule K-5: Public School Staff Data	18
Schedule K-6: Class Size Characteristics	19
REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	20

REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS
CONSULTANTS
A PROFESSIONAL CORPORATION

3501 N. Causeway Blvd. • Suite 810 • P.O. Box 6952 • Metairie, LA 70009
Phone (504) 837-9116 • Fax (504) 837-0123 • www.rebowe.com

INDEPENDENT AUDITOR'S REPORT

Board of Directors
ARISE Academy
New Orleans, Louisiana

We have audited the accompanying Statement of Financial Position of ARISE Academy (a nonprofit "Organization"), and the related Statements of Activities, Cash Flows, and Functional Expenses as of and for the year ended June 30, 2010. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ARISE Academy as of June 30, 2010, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2010 on our consideration of ARISE Academy's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Rebowe & Company

October 7, 2010

ARISE ACADEMY
STATEMENT OF FINANCIAL POSITION
June 30, 2010

ASSETS

Current Assets:

Cash and cash equivalents	\$ 287,165
Prepaid expenses	2,957
Grants receivable	<u>180,824</u>

Total Current Assets	<u>470,946</u>
----------------------	----------------

Total Assets	<u><u>\$ 470,946</u></u>
--------------	--------------------------

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts payable and accrued expenses	\$ 161,809
Loan payable - current	<u>149,000</u>

Total Current Liabilities	<u>310,809</u>
---------------------------	----------------

Total Liabilities	<u>310,809</u>
-------------------	----------------

Net Assets:

Unrestricted	<u>160,137</u>
--------------	----------------

Total Net Assets	<u>160,137</u>
------------------	----------------

Total Liabilities and Net Assets	<u><u>\$ 470,946</u></u>
----------------------------------	--------------------------

See accompanying notes to financial statements.

ARISE ACADEMY
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2010

UNRESTRICTED NET ASSETS

Public Support Revenues and Other Support

Local per pupil aid	\$ 639,166
Federal sources	401,366
State public school funds	521,638
Donations and contributions	98,933
Other revenues	<u>316,823</u>

Total Public Support and Other Revenues	<u>1,977,926</u>
---	------------------

Expenses

Program services:	
Instructional	1,082,918
Supporting services:	
Management and general	<u>1,066,849</u>

Total Expenses	<u>2,149,767</u>
----------------	------------------

Decrease in Unrestricted Net Assets	<u>(171,841)</u>
-------------------------------------	------------------

Net assets at beginning of fiscal year	<u>331,978</u>
--	----------------

Net assets at end of fiscal year	<u><u>\$ 160,137</u></u>
----------------------------------	--------------------------

See accompanying notes to financial statements.

ARISE ACADEMY
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2010

Cash Flows from Operating Activities:	
Decrease in net assets	\$ (171,841)
Increase in operating assets:	
Accounts/grants receivable	(57,833)
Prepaid expenses	(2,957)
Increase in operating liabilities:	
Accounts payable	<u>161,809</u>
Net cash used by operating activities:	<u>(70,822)</u>
 Cash Flows from Financing Activities:	
Proceeds from loan	<u>149,000</u>
Net cash provided by financing activities	<u>149,000</u>
Net increase in cash and cash equivalents	78,178
Cash and Cash Equivalents, Beginning of Fiscal Year	<u>208,987</u>
Cash and Cash Equivalents, End of Fiscal Year	<u><u>\$ 287,165</u></u>
 Supplemental Data:	
Cash paid for interest	<u><u>\$ 6,733</u></u>

See accompanying notes to financial statements.

ARISE ACADEMY
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2010

	<u>Instructional</u>	<u>Management and General</u>	<u>Total</u>
Expenses:			
Salaries and benefits	\$ 958,692	\$ 305,913	\$ 1,264,605
Bus service	-	224,659	224,659
Food service	-	137,188	137,188
Supplies	92,727	44,378	137,105
Purchased property services	-	100,711	100,711
Professional services	-	74,848	74,848
Rent	-	58,400	58,400
Utilities	-	38,783	38,783
Textbooks	31,499	137	31,636
Dues and fees	-	25,926	25,926
Telephone and postage	-	18,575	18,575
Advertising	-	14,311	14,311
Insurance	-	10,373	10,373
Interest expense	-	6,733	6,733
Travel	-	5,914	5,914
Total Expenses	<u>\$ 1,082,918</u>	<u>\$ 1,066,849</u>	<u>\$ 2,149,767</u>

See accompanying notes to financial statements.

ARISE ACADEMY
NOTES TO FINANCIAL STATEMENT (CONTINUED)
For the Year Ended June 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

ARISE Academy ("ARISE") was incorporated in the fall of 2008 for the purpose of operating a charter school in New Orleans, Louisiana. ARISE was created to offer extended academic time, rigorous college preparatory curriculum and instruction in a foreign language to all students daily. The State Board of Elementary and Secondary Education granted ARISE a Type 5 charter to operate ARISE Academy.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Functional Expenses

The cost of program and supporting services has been reported on a functional basis. This requires the allocation of certain costs based on total program costs and estimates made by management.

Income Tax Status

ARISE is a tax-exempt organization under Internal Revenue Code Section 501(c)(3) and, as such, is not subject to income tax.

Public Support and Revenue

ARISE receives its support primarily from the Louisiana State Department of Education and the United States Department of Education.

Irrevocable promises to give and outright contributions are recorded as revenue on the accrual basis as they are received, and allowances are provided for promises to give estimated to be uncollectible. Promises to give and contributions are principally received from corporate, foundation, and individual donors around the United States. Both promises to give and contributions are considered available for unrestricted use unless specifically restricted by donors. Irrevocable promises to give which relate to a subsequent year are recorded as receivables and temporarily restricted net assets in the year the commitment is received. Contributions whose donor restrictions are met in the same reporting period are reported as unrestricted support. ARISE uses the direct write-off method of writing off uncollectible receivables.

ARISE receives revenue for Food Services from Local Support. The revenue is directly given to Louisiana Recovery School District ("RSD"). RSD handles all the food services at ARISE.

ARISE ACADEMY
NOTES TO FINANCIAL STATEMENT (CONTINUED)
For the Year Ended June 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

RSD will send monthly invoices to ARISE showing the amount the grant revenue covered and the difference that ARISE is obligated to pay. The revenue and expense incurred by this grant was \$124,038 for the year ended June 30, 2010.

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual amounts could differ from those estimates.

Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows, ARISE considers all unrestricted, highly liquid investments with an initial maturity of less than three months as cash and cash equivalents.

Basis of Presentation

ARISE follows the provisions of *Not-For-Profit Entities* Topic of FASB ASC (FASB ASC 958), which establishes external financial reporting for not-for-profit organizations which includes three basic financial statements and classification of resources into three separate classes of net assets, as follows:

- **Unrestricted** - Net assets which are free of donor-imposed restrictions; all revenues, expenses, gains, and losses that are not changes in permanently or temporarily restricted net assets.
- **Temporarily Restricted** - Net assets whose use by ARISE is limited by donor-imposed stipulations that either expire by the passage of time or that can be fulfilled or removed by actions of the organization pursuant to such stipulations.

ARISE ACADEMY
NOTES TO FINANCIAL STATEMENT (CONTINUED)
For the Year Ended June 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- **Permanently Restricted** - Net assets whose use by ARISE is limited by donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled and removed by actions of the organization.

Subsequent Events

Subsequent events have been evaluated through October 7, 2010, the date the financial statements were available to be issued.

NOTE 2 - CASH AND CASH EQUIVALENTS

Under State law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or pledged securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2010, cash and cash equivalents consisted of deposits with financial institutions with carrying balances of \$337,895. These deposits are secured from risk by \$250,000 from the Federal Deposit Insurance Corporation (FDIC). At June 30, 2010 ARISE had cash deposits in excess of federally insured limits of approximately \$87,895.

NOTE 3 - RETIREMENT PLANS

Substantially all employees of ARISE are members of an employer sponsored simple IRA retirement plan. Covered employees may elect to contribute a portion of their salaries to the plan. ARISE's matching contribution to the Plan is 100% of the participant's contributions not to exceed 3% of the participant's compensation. ARISE made contributions to the IRA of \$28,828 for the year ended June 30, 2010.

NOTE 4 - COMPENSATED ABSENCES

School-Based Employees:

All school-based employees are granted seventy-two (72) hours paid time off (PTO) at the beginning of each year. These days are to be used in case of illness, to handle personal affairs, or for any other personal reason an employee needs a day off. If an employee starts after the beginning of the school year, personal leave/sick days are pro-rated. Unused balances, if any, are forfeited upon employee termination and at the conclusion of the fiscal year.

ARISE ACADEMY
NOTES TO FINANCIAL STATEMENT (CONTINUED)
For the Year Ended June 30, 2010

NOTE 4 - COMPENSATED ABSENCES (CONTINUED)

Funding Policy:

School Support Center staff work throughout the year and observe the school holidays. All full time ARISE employees will receive a total of seventy-two (72) hours PTO (a combination of vacation time, sick time, and personal holiday time) per year. Unused balances, if any, are forfeited upon employee termination and at the conclusion of the fiscal year.

NOTE 5 - CONTINGENCIES

At June 30, 2010, ARISE was not a defendant or co-defendant in any lawsuits arising from the normal course of operations.

Facility Operating Costs - As disclosed in Note 7, ARISE leased space at Dr. Charles Drew Elementary from the Louisiana State Department of Education through its Recovery School District ("RSD"). As disclosed in Note 7, the RSD and ARISE reached an agreement as to what costs will be charged to ARISE.

NOTE 6 - LOAN PAYABLE

ARISE has one loan payable maturing September 30, 2010 in the amount of \$149,000. The note bears an interest rate of four percent (4%) per annum, computed on the basis of the actual number of days elapsed over a 360-day year. ARISE pays interest only until maturity date when the principal loan balance will become due. ARISE paid the entire loan balance on September 1, 2010.

Interest expense pertaining to the loan payable amounted to \$6,733 for the year ended June 30, 2010.

NOTE 7 - LEASE AGREEMENT

ARISE has entered into a rent-free lease agreement with the State of Louisiana Department of Education, Recovery School District (the "RSD") for the period from July 1, 2009 through June 30, 2012 for the use of Dr. Charles Drew Elementary main buildings, cafeteria, and grounds as school facilities. This lease may be extended for any additional two years ending June 30, 2014 in the event the Louisiana Board of Elementary and Secondary Education extends ARISE's contract. The RSD has reserved the right to impose rent in subsequent years. The amount of the rent-free leases has been valued based on a schedule included in the signed lease agreement indicating fees that would be charged to nonprofit organizations for rental of the building totaling \$58,400 at June 30, 2010.

ARISE is responsible for the payment of shared services with the RSD such as utilities, janitorial and sanitation, disposal services, nursing services and property taxes at a pro-rata calculation based upon student enrollment at the school.

ARISE ACADEMY
NOTES TO FINANCIAL STATEMENT (CONTINUED)
For the Year Ended June 30, 2010

NOTE 7 - LEASE AGREEMENT (CONTINUED)

The lease agreement states the RSD may move ARISE at any time as long as the RSD provides another facility deemed reasonable, taking into consideration such factors as building capacity, design alignment with grade levels served by ARISE, projected enrollment, program specific needs, and community needs. ARISE may terminate this agreement upon 30 days notice to relocate its school to a non-RSD facility. The RSD may terminate this agreement with cause prior to the end of the specified term in the event ARISE fails to remedy a material breach within a period reasonable under the circumstances, but not less than 15 days after notice from the RSD.

NOTE 8 - OPERATING LEASE AGREEMENT

ARISE entered into two operating leases for the rental of three copiers. All leases are for thirty-six (36) months. Rental payments under these leases were \$6,261 for the year ended June 30, 2010, respectively.

Future minimum commitments under the operating lease agreements are as follows:

2011	\$ 8,423
2012	8,423
2013	3,510
	<u>\$ 20,356</u>

PERFORMANCE STATISTICAL DATA

REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS
CONSULTANTS

A PROFESSIONAL CORPORATION

3501 N. Causeway Blvd. • Suite 810 • P.O. Box 6952 • Metairie, LA 70009
Phone (504) 837-9116 • Fax (504) 837-0123 • www.rebowe.com

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Directors
ARISE Academy
New Orleans, Louisiana

We have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of ARISE Academy ("ARISE") and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of ARISE and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) Bulletin. ARISE is responsible for the performance and statistical data. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

General Fund Instructional and Support Expenditures and Certain Local Revenue Sources (Schedule K-1)

1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:
 - Total General Fund Instructional Expenditures,
 - Total General Fund Equipment Expenditures,
 - Total Local Taxation Revenue,
 - Total Local Earnings on Investment in Real Property,
 - Total State Revenue in Lieu of Taxes,
 - Nonpublic Textbook Revenue, and
 - Nonpublic Transportation Revenue.

Education Levels of Public School Staff (Schedule K-2)

2. We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers" (Schedule K-4) to the combined total number of full-time classroom teachers per this schedule and to school board supporting payroll records as of October 1, 2009.
3. We reconciled the combined total of principals and assistant principals per the schedule "Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers" (Schedule K-4) to the combined total of principals and assistant principals per this schedule.
4. We obtained a list of principals, assistant principals, and full-time teachers by classification as of October 1, 2009 and as reported on the schedule. We traced a random sample of 25 teachers to the individual's personnel file and determined that the individual's education level was properly classified on the schedule.

Number and Type of Public Schools (Schedule K-3)

5. We obtained a list of schools by type as reported on the schedule. We compared the list to the schools and grade levels as reported on the Title 1 Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555) application).

Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers (Schedule K-4)

6. We obtained a list of principals, assistant principals, and full-time teachers by classification as of October 1, 2009 and as reported on the schedule and traced the same sample used in procedure 4 to the individual's personnel file and determined that the individual's experience was properly classified on the schedule.

Public Staff Data (Schedule K-5)

7. We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as reported on the schedule and traced a random sample of 25 teachers to the individual's personnel file and determined that the individual's salary, extra compensation, and full-time equivalents were properly included on the schedule.

We noted one teacher who was not employed for the entire school year and her salary was reported incorrectly.

8. We recalculated the average salaries and full-time equivalents reported in the schedule.

Class Size Characteristics (Schedule K-6)

9. We obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule K-3 data, as obtained in procedure 5. We then traced a random sample of 10 classes to the October 1, 2009 roll books for those classes and determined that the class was properly classified on the schedule.

Integrated Louisiana Educational Assessment Program (iLEAP) (Schedule K-9)

10. We obtained test scores as provided by the testing authority and reconciled the scores as reported by the testing authority to the scores reported in the schedule by ARISE. In 2009 – 2010 school year, ARISE was Pre-K through second grade. Therefore, Schedules K7, K8, and K9 are not applicable.

No exceptions were found as a result of applying the above procedures, except as noted above, under Procedure 7.

We were not engaged to and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management of ARISE Academy, the Louisiana Department of Education, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and is not intended to be and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Reboue & Company

October 7, 2010

**ARISE ACADEMY
NEW ORLEANS, LOUISIANA**

Schedule K-1

**General Fund Instructional and Support Expenditures
Certain Local Revenue Sources
For the Year Ended June 30, 2010**

General Fund Instructional and Equipment Expenditures

Teacher and Student Interaction Activities	
Classroom Teacher Salaries	\$ 568,190
Other Instructional Staff Activities	49,438
Instructional Staff Employee Benefits	163,377
Purchased Professional and Technical Services	2,462
Instructional Materials and Supplies	23,568
Less: Instructional Equipment	-
Total Teacher and Student Interaction Activities	\$ 807,035
Other Instructional Activities	\$ 20,953
Pupil Support Activities	\$ 15,905
Less: Equipment for Pupil Support Activities	-
Net Pupil Support Activities	\$ 15,905
Instructional Staff Services	\$ 42,166
Less: Equipment for Instructional Staff Services	-
Net Instructional Staff Services	\$ 42,166
School Administration	\$ 209,465
Less: Equipment for School Administration	-
Net School Administration	\$ 209,465
Total General Fund Expenditures	\$ 1,095,524
Total General Fund Equipment Expenditures	\$ -

**ARISE ACADEMY
NEW ORLEANS, LOUISIANA**

Schedule K-2

**Education Level of Public Principals, Assistant Principals, and Full-Time Classroom Teachers
As of October 1, 2009**

Category	Full-time Classroom Teachers				Principals and Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	-	0%	-	0%	-	0.0%	-	0%
Bachelor's Degree	11	85%	1	100%	-	0.0%	-	0%
Master's Degree	2	15%	-	0%	-	0.0%	1	100%
Master's Degree +30	-	0%	-	0%	-	0.0%	-	0%
Specialist in Education	-	0%	-	0%	-	0.0%	-	0%
Ph. D. or Ed. D.	-	0%	-	0%	-	0.0%	-	0%
Total	13	100%	1	100%	-	0.0%	1	100%

**ARISE ACADEMY
NEW ORLEANS, LOUISIANA**

Schedule K-3

**Number and Type of Public Schools
For the Year Ended June 30, 2010**

Type	2010
	Number
Elementary	1
Middle/Jr. High	
Secondary	
Combination	
Total	1

Note: Schools opened or closed during the fiscal year are included in this schedule.

**ARISE ACADEMY
NEW ORLEANS, LOUISIANA**

Schedule K-4

**Experience of Public Principals, Assistant Principals, and Full-Time Classroom Teachers
As of October 1, 2009**

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	-	-	-	-	-	-	-	-
Classroom Teachers	10	1	3	-	-	-	-	14
Principals	-	-	1	-	-	-	-	1
Total	10	1	4	-	-	-	-	15

**ARISE ACADEMY
NEW ORLEANS, LOUISIANA**

Schedule K-5

**Public School Staff Data
For the Year Ended June 30, 2010**

2010	All Classroom Teachers	Classroom Teachers Excluding ROTC And Rehired Retirees
Average Classroom Teachers' Salary Including Extra Compensation	\$46,982	\$46,982
Average Classroom Teacher's Salary Excluding Extra Compensation	\$46,982	\$46,982
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	14	14

Note: Figures reported include all sources of funding (i.e. federal, state and local) but exclude employee benefits. Generally, retired teachers rehired to teach receive less compensation than non-retired teachers and ROTC teachers receive more compensation because of a federal supplement. Therefore, these teachers are excluded from the computation in the last column. This schedule excludes day-to-day substitutes and temporary employees.

**ARISE ACADEMY
NEW ORLEANS, LOUISIANA**

Schedule K-6

**Class Size Characteristics
As of October 1, 2008**

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	85%	29	15%	5	-	-	-	-
Elementary Activity Classes	83%	5	17%	1	-	-	-	-
Middle/Jr. High	-	-	-	-	-	-	-	-
Middle/Jr. High Activity Classes	-	-	-	-	-	-	-	-
High	-	-	-	-	-	-	-	-
High Activity Classes	-	-	-	-	-	-	-	-
Combination	-	-	-	-	-	-	-	-
Combination Activity Classes	-	-	-	-	-	-	-	-

Note: The Board of Elementary and Secondary Education has set specific limits on the maximum size of classes at various grade levels. The maximum enrollment in grades K-3 is 26 students and maximum enrollment in grades 4-12 is 33 students. These limits do not apply to activity classes such as physical education, chorus, band, and other classes without maximum enrollment standards. Therefore, these classes are included only as separate line items.

REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS
CONSULTANTS

A PROFESSIONAL CORPORATION

3501 N. Causeway Blvd. • Suite 810 • P.O. Box 6952 • Metairie, LA 70009
Phone (504) 837-9116 • Fax (504) 837-0123 • www.rebowe.com

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
ARISE Academy
New Orleans, Louisiana

We have audited the financial statements of ARISE Academy, as of and for the year ended June 30, 2010 and have issued our report thereon dated October 1, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered ARISE Academy's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of ARISE Academy's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of ARISE Academy's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether ARISE Academy's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under Government Auditing Standards and which is described in the accompanying Schedule of Findings as item 10-01.

This report is intended solely for the information and use of management, the Council, and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Rebowe & Company

October 7, 2010

**ARISE ACADEMY
SCHEDULE OF FINDINGS
For the Year Ended June 30, 2010**

A - FINDINGS - FINANCIAL STATEMENT AUDIT

COMPLIANCE

Finding 10-01 Deposit Collateral

Condition:

We noted that the bank deposits of ARISE Academy was uncollateralized by approximately \$87,895.

Criteria:

Louisiana Revised Statute 39:1225 requires that the security for deposits at all times be equal to one hundred percent of the amount of collected funds on deposit to the credit of each depositing authority except that portion of the deposits insured by any governmental agency insuring bank deposits which is organized under the laws of the United States.

Effect:

ARISE Academy is in violation of state law.

Cause:

ARISE Academy did not proceed with plans to secure their funds with their fiscal agent.

Recommendation:

Management should negotiate a contract with its fiscal agent stipulating that deposits must be fully insured or collateralized.

Response:

ARISE Academy will open an additional account(s) at a different banking institution. Funds in excess of the amount protected by the FDIC will be transferred from ARISE's primary operating account to the unaffiliated bank whenever funds in the primary account total approximately 90% of the legally insurable amount. ARISE will ensure that all deposits are fully insured or collateralized by October 31, 2010.